

MBA RESEARCH & ECONOMICS

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS

Q1 2010



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Production

Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations First Quarter 2010

First quarter 2010 commercial and multifamily mortgage loan originations were 12 percent higher than during the same period last year and 26 percent lower than during the fourth quarter of 2009, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

"The results of the survey showed changes in commercial and multifamily origination levels varied significantly between investor groups. However, it's hard to draw conclusions based on first quarter numbers given seasonal affects such as the industry's usual push to finalize deals before the end of the year, resulting in lower first quarter origination activity," said Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research. "Based on surveys from the Federal Reserve Board and discussions with lenders, there appears to be increasing capital available for commercial mortgages, but only limited demand for new mortgages from commercial and multifamily property investors."

FIRST QUARTER 2010 12 PERCENT HIGHER THAN FIRST QUARTER 2009

The 12 percent overall increase in commercial/multifamily lending activity

during the first quarter was driven by increases in originations for office and retail properties. When compared to the first quarter of 2009, the increase included a 98 percent increase in loans for retail properties, a 29 percent increase in loans for office properties, a five percent decrease in loans for multifamily properties, a 28 percent decrease in loans for industrial properties, a 46 percent decrease in hotel property loans, and a 68 percent decrease in health care property loans.

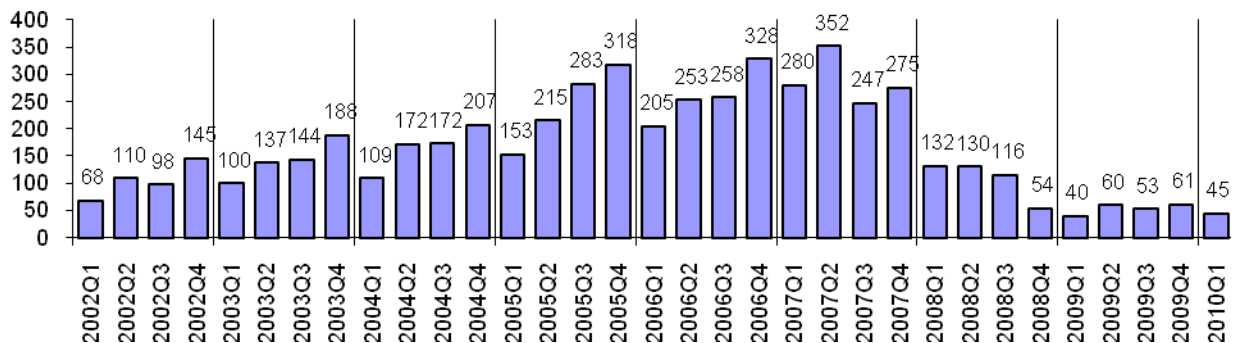
Among investor types, loans for conduits for CMBS saw an increase of 657 percent compared to last year's first quarter. There was also a 131 percent increase in loans for life insurance companies, a four percent decrease in loans for commercial bank portfolios, and the dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw a decrease of 49 percent.

FIRST QUARTER 2010 26 PERCENT LOWER THAN FOURTH QUARTER 2009

First quarter 2010 mortgage originations were 26 percent lower than originations in the fourth quarter 2009. Among investor types, loans for conduits for CMBS saw an increase in loan volume of 430 percent compared to the fourth quarter 2009, loans

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



for life insurance companies saw an increase in loan volume of one percent compared to the fourth quarter 2009, commercial bank portfolios decreased by 48 percent during the same time span, and originations for GSEs decreased 43 percent from the fourth quarter 2009 to the first quarter 2010.

Compared to the fourth quarter of 2009, first quarter 2010 originations for office properties saw a 20 percent increase. There was an 11 percent decrease for retail properties, a 24 percent decrease for industrial properties, a 37 percent decrease for multifamily properties, a 73 percent decrease for hotel properties, and a 91 percent decrease for health care properties.

To view the report, please visit the following Web link:

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/1Q10CMFOriginationsSurvey.pdf>

Detailed statistics on the size and scope of the commercial/multifamily origination market are available from these MBA commercial/multifamily research reports.

- Commercial Real Estate/Multifamily Finance: Annual Origination Volume Summation, 2009
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2009

Commercial/Multifamily Mortgage Bankers Originations Index
By Investor Group

| | Origination Volume Index (2001 Avg Qtr = 100) | | | | Percent Change, Q1-to-Q1 | Average Loan Size (\$millions) | | | |
|---------------------------------|--|-----|-----|-----|--------------------------------|-----------------------------------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 | Q2 | Q3 | Q4 |
| TOTAL | | | | | | | | | |
| 2005 | 153 | 215 | 283 | 318 | 40% | \$ 10.1 | \$ 11.2 | \$ 13.1 | \$ 12.3 |
| 2006 | 205 | 253 | 258 | 328 | 34% | \$ 11.2 | \$ 11.1 | \$ 13.6 | \$ 13.7 |
| 2007 | 280 | 352 | 247 | 275 | 37% | \$ 13.8 | \$ 15.6 | \$ 13.3 | \$ 16.0 |
| 2008 | 132 | 130 | 116 | 54 | -53% | \$ 12.3 | \$ 12.3 | \$ 10.8 | \$ 9.0 |
| 2009 | 40 | 60 | 53 | 61 | -70% | \$ 8.4 | \$ 11.8 | \$ 9.9 | \$ 11.0 |
| 2010 | 45 | | | | 12% | \$ 9.2 | | | |
| Conduits | | | | | | | | | |
| 2005 | 209 | 355 | 445 | 395 | 50% | \$ 15.1 | \$ 14.8 | \$ 16.0 | \$ 13.4 |
| 2006 | 283 | 343 | 287 | 519 | 35% | \$ 13.6 | \$ 15.3 | \$ 15.3 | \$ 21.1 |
| 2007 | 456 | 606 | 206 | 357 | 61% | \$ 18.4 | \$ 18.4 | \$ 14.0 | \$ 52.9 |
| 2008 | 19 | 9 | 15 | 6 | -96% | \$ 16.0 | \$ 16.5 | \$ 40.4 | \$ 30.9 |
| 2009 | 1 | 4 | 2 | 1 | -96% | \$ 5.5 | \$ 20.4 | \$ 18.2 | \$ 12.4 |
| 2010 | 5 | | | | 657% | \$ 45.4 | | | |
| Commercial Banks | | | | | | | | | |
| 2005 | 242 | 420 | 447 | 596 | 59% | \$ 6.5 | \$ 12.3 | \$ 13.9 | \$ 13.8 |
| 2006 | 397 | 457 | 543 | 552 | 64% | \$ 10.3 | \$ 8.6 | \$ 15.9 | \$ 12.1 |
| 2007 | 316 | 408 | 445 | 521 | -20% | \$ 10.0 | \$ 15.7 | \$ 13.3 | \$ 14.0 |
| 2008 | 228 | 289 | 129 | 74 | -28% | \$ 11.2 | \$ 17.6 | \$ 6.0 | \$ 8.9 |
| 2009 | 47 | 49 | 62 | 86 | -80% | \$ 6.1 | \$ 6.1 | \$ 6.4 | \$ 8.2 |
| 2010 | 45 | | | | -4% | \$ 4.9 | | | |
| Life Insurance Companies | | | | | | | | | |
| 2005 | 138 | 174 | 225 | 274 | 31% | \$ 8.7 | \$ 8.7 | \$ 10.1 | \$ 8.8 |
| 2006 | 140 | 206 | 199 | 191 | 2% | \$ 8.7 | \$ 9.0 | \$ 10.6 | \$ 9.1 |
| 2007 | 158 | 175 | 222 | 163 | 12% | \$ 9.9 | \$ 9.6 | \$ 13.0 | \$ 9.7 |
| 2008 | 119 | 128 | 163 | 44 | -25% | \$ 10.1 | \$ 10.7 | \$ 13.9 | \$ 7.8 |
| 2009 | 41 | 59 | 69 | 93 | -66% | \$ 13.4 | \$ 12.5 | \$ 12.4 | \$ 15.6 |
| 2010 | 94 | | | | 131% | \$ 17.0 | | | |
| Fannie Mae/Freddie Mac | | | | | | | | | |
| 2005 | 72 | 89 | 109 | 143 | 51% | \$ 11.0 | \$ 9.0 | \$ 10.3 | \$ 12.8 |
| 2006 | 94 | 99 | 113 | 138 | 30% | \$ 12.9 | \$ 10.2 | \$ 12.4 | \$ 11.6 |
| 2007 | 114 | 112 | 181 | 194 | 22% | \$ 9.8 | \$ 10.2 | \$ 14.3 | \$ 10.9 |
| 2008 | 185 | 186 | 208 | 164 | 62% | \$ 11.7 | \$ 10.1 | \$ 13.3 | \$ 12.0 |
| 2009 | 136 | 189 | 143 | 122 | -26% | \$ 11.4 | \$ 16.8 | \$ 14.8 | \$ 13.8 |
| 2010 | 70 | | | | -49% | \$ 9.8 | | | |

Commercial/Multifamily Mortgage Bankers Originations Index
By Property Type

| | Origination Volume Index (2001 Avg Qtr = 100) | | | | Percent Change, Q1-to-Q1 | Average Loan Size (\$millions) | | | |
|--------------------|--|-------|-------|-------|--------------------------------|-----------------------------------|---------|---------|----------|
| | Q1 | Q2 | Q3 | Q4 | | Q1 | Q2 | Q3 | Q4 |
| Multifamily | | | | | | | | | |
| 2005 | 116 | 153 | 193 | 234 | 63% | \$ 10.7 | \$ 11.1 | \$ 12.3 | \$ 13.3 |
| 2006 | 143 | 166 | 155 | 238 | 23% | \$ 11.6 | \$ 11.4 | \$ 12.3 | \$ 14.2 |
| 2007 | 180 | 195 | 176 | 220 | 26% | \$ 11.8 | \$ 12.5 | \$ 11.8 | \$ 15.0 |
| 2008 | 132 | 113 | 123 | 83 | -27% | \$ 12.6 | \$ 11.0 | \$ 12.1 | \$ 11.4 |
| 2009 | 51 | 89 | 74 | 77 | -61% | \$ 9.5 | \$ 15.3 | \$ 12.9 | \$ 12.4 |
| 2010 | 49 | | | | -5% | \$ 9.4 | | | |
| Office | | | | | | | | | |
| 2005 | 158 | 226 | 299 | 346 | 30% | \$ 13.3 | \$ 15.5 | \$ 17.4 | \$ 17.5 |
| 2006 | 198 | 255 | 277 | 375 | 26% | \$ 15.4 | \$ 14.0 | \$ 18.4 | \$ 19.6 |
| 2007 | 321 | 302 | 191 | 100 | 62% | \$ 24.0 | \$ 21.1 | \$ 17.4 | \$ 12.0 |
| 2008 | 79 | 105 | 76 | 28 | -75% | \$ 15.7 | \$ 19.0 | \$ 15.6 | \$ 10.8 |
| 2009 | 27 | 20 | 33 | 29 | -66% | \$ 9.6 | \$ 10.8 | \$ 14.9 | \$ 15.5 |
| 2010 | 35 | | | | 29% | \$ 13.4 | | | |
| Retail | | | | | | | | | |
| 2005 | 198 | 321 | 339 | 445 | 4% | \$ 7.9 | \$ 8.9 | \$ 9.5 | \$ 9.2 |
| 2006 | 307 | 343 | 327 | 423 | 55% | \$ 9.3 | \$ 8.6 | \$ 10.1 | \$ 11.6 |
| 2007 | 384 | 459 | 264 | 264 | 25% | \$ 11.8 | \$ 12.1 | \$ 10.4 | \$ 9.1 |
| 2008 | 181 | 169 | 185 | 47 | -53% | \$ 15.8 | \$ 13.5 | \$ 15.5 | \$ 7.5 |
| 2009 | 43 | 83 | 71 | 95 | -76% | \$ 11.0 | \$ 16.7 | \$ 10.8 | \$ 13.6 |
| 2010 | 85 | | | | 98% | \$ 14.5 | | | |
| Industrial | | | | | | | | | |
| 2005 | 166 | 230 | 325 | 380 | 30% | \$ 6.7 | \$ 8.3 | \$ 9.6 | \$ 8.6 |
| 2006 | 222 | 308 | 270 | 392 | 33% | \$ 8.3 | \$ 8.7 | \$ 9.8 | \$ 10.1 |
| 2007 | 254 | 286 | 249 | 196 | 14% | \$ 10.5 | \$ 10.2 | \$ 10.2 | \$ 9.4 |
| 2008 | 161 | 124 | 151 | 48 | -37% | \$ 11.6 | \$ 9.4 | \$ 9.1 | \$ 8.8 |
| 2009 | 80 | 43 | 64 | 76 | -50% | \$ 18.4 | \$ 7.2 | \$ 8.9 | \$ 11.4 |
| 2010 | 57 | | | | -28% | \$ 9.4 | | | |
| Hotel | | | | | | | | | |
| 2005 | 210 | 515 | 1,107 | 563 | 96% | \$ 13.6 | \$ 31.6 | \$ 52.0 | \$ 21.9 |
| 2006 | 558 | 681 | 990 | 676 | 166% | \$ 24.8 | \$ 28.7 | \$ 42.5 | \$ 24.6 |
| 2007 | 762 | 2,931 | 815 | 3,035 | 37% | \$ 31.6 | \$ 55.8 | \$ 33.8 | \$ 199.5 |
| 2008 | 308 | 371 | 107 | 36 | -60% | \$ 40.0 | \$ 38.5 | \$ 23.1 | \$ 22.5 |
| 2009 | 36 | 84 | 57 | 74 | -88% | \$ 67.5 | \$ 29.0 | \$ 35.3 | \$ 48.7 |
| 2010 | 20 | | | | -46% | \$ 12.3 | | | |
| Health Care | | | | | | | | | |
| 2005 | 129 | 192 | 559 | 559 | -4% | \$ 7.8 | \$ 7.6 | \$ 14.1 | \$ 12.5 |
| 2006 | 287 | 532 | 434 | 523 | 123% | \$ 12.6 | \$ 10.7 | \$ 9.7 | \$ 10.2 |
| 2007 | 471 | 458 | 1,081 | 540 | 64% | \$ 8.4 | \$ 11.7 | \$ 14.6 | \$ 10.7 |
| 2008 | 400 | 758 | 442 | 288 | -15% | \$ 7.8 | \$ 8.5 | \$ 6.5 | \$ 6.8 |
| 2009 | 82 | 224 | 183 | 289 | -80% | \$ 3.7 | \$ 4.7 | \$ 5.9 | \$ 10.7 |
| 2010 | 26 | | | | -68% | \$ 3.9 | | | |



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2009 Commercial/Multifamily Annual Origination Volumes Rankings

All Firms (member \$250/nonmember \$350)

2009 Commercial/Multifamily Annual Origination Volume Summation

Member \$75/nonmember \$100

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